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Central Intelligence Agency



Washington, D. C. 20505

81-3816/11

15 July 1981

The Honorable David A. Stockman
 Director
 Office of Management and Budget
 Washington, D. C. 20503

Dear Dave:

As you know from Admiral Inman's conversation with Ed Harper and Bill Schneider, the Congressional committees have again proved supportive of CIA in the special circumstances surrounding overseas operations; they have expressed complete understanding of our proceeding with an interim pay differential for our employees overseas. (S)

We will be happy to provide you with the results of our study of the long-term consequences of overseas pay when it is completed. I do not believe it would be appropriate, however, to undertake such an effort under OMB direction. It was Congress' recognition of the unique nature of clandestine intelligence operations overseas which prompted enactment of the DCI's special authorities in the CIA Act of 1949. I know you share the President's and my desire to rebuild the US intelligence capability and would not want to be a party to any action that would tend to reduce DCI special authorities in law that facilitate this effort. (C)

I will continue to ensure that you are kept closely apprised of any action taken under these authorities that would in any way impact upon your responsibility as Director of OMB. (U)

Sincerely,

William J. Casey
 Director of Central Intelligence

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